



state senator  
**Connie Lawson**

2006 LEGISLATIVE UPDATE

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## Major Moves: The Jobs Bill of a Generation

### INDIANA TO RECEIVE \$3.8 BILLION FOR TOLL ROAD LEASE

For years, Indiana has habitually approved almost any road project that is requested with a promise that it will get done "eventually." This resulted in \$2.8 billion of unfunded road projects across the state. With the passage of Major Moves, House Enrolled Act 1008, the General Assembly ensured the state's 10-year road plan will be funded, the Interstate 69 extension will get started, future generations will have money for roads and thousands of jobs will be created across the state.

The crux of the plan — leasing the Indiana Toll Road to private investors — drew attention, praise and criticism in the 10-week legislative session, but in the end, I believe the benefits of the deal outweighed any negatives that were mentioned.

The lease that was ratified through HEA 1008 was a \$3.8 billion agreement between the state and Statewide Mobility Partners (SMP), a Spanish-Australian consortium that operates toll roads all over the world. Supported by business leaders and unions alike, the \$3.8 billion lease and the interest it accrues will pay for the state's road projects, creating — according to some estimates — more than 130,000 jobs. An additional \$150 million will also be distributed to counties for local road projects.

In exchange for an up-front payment, SMP will operate and collect tolls from the Indiana Toll Road for 75 years. The consortium has also agreed to make improvements to the road — estimated at \$4.4 billion — and fund 25 additional State Troopers and a new state police post along the Interstate. The lease agreement and HEA 1008 dictate that SMP must meet federal standards on items such as

traffic flow and snow removal. Indiana also listed its own requirements for maintenance issues such as filling pot holes, removing dead animals, and taking care of other hazards.

In addition to the toll road portion of the law, HEA 1008 also addresses another major road: Interstate 69. The previous timeline for extending I-69 from Indianapolis to Evansville, set by previous administrations, had construction beginning in 2017. That is simply unworkable. Under HEA 1008, work

on the long-awaited interstate could start as soon as 2008 and be completed by 2018. Under the plan, the governor could enter into a Public-Private Partnership (P3) to help build I-69 from Evansville to Martinsville as a toll road. However, tolls from Martinsville to Indianapolis must be approved by the legislature. Additionally, if the administration wants the north end of the road to remain in Perry

Township in Indianapolis, the General Assembly must also give approval.

Another important part of the deal is a \$500 million Next Generation Trust Fund. Every five years, the state will take the interest the trust fund accrues and deposit it into the Major Moves construction fund. The initial \$500 million, however, will be protected and not spent.

As Governor Mitch Daniels has said, a top-tier economy requires a top-tier infrastructure. Indiana is striving to have an economy that is the envy of the nation, but we can't do so without a road system that also draws envy. Major Moves completes those goals, and I am proud to say I supported it.

### SENATE DISTRICT 24 GETS \$3.4 MILLION FROM MAJOR MOVES



Much of the talk surrounding Major Moves has been abstract. Debates such as "Is foreign investment the right thing to do?" and "Is 75 years too long?" were handled and answered. But now that Major Moves has passed, it is important that people know what benefits they will see.

The money from the lease will be used to complete the long-awaited Hoosier Heartland Corridor, the Fort-to-Port extension and new Ohio River bridges.

Additionally, because of the size of the lease payment, \$150 million will be distributed to counties, cities and towns for local projects. The distribution is based on a formula similar to the distribution of gas tax revenues. The counties I represent will receive the following:

- **Hendricks — \$2,188,380**
- **Putnam — \$1,203,648**

As you can see, Major Moves will generate a significant amount of money for our area that will improve the quality of life. I look forward to seeing a lot more orange construction barrels on the streets I represent in the coming years.

## LAWSON FIGHTS TO PROTECT HOOSIER CHILDREN

Indiana's children are our state's most precious assets. Sadly, nearly 67 percent of all reported sexual assault crimes are committed against children. In fact, 34 percent of sexual assault victims are under age 12. One in seven is under age 6. Despite efforts to protect children, there are still sexual predators who continue to prey on their innocence. This session, several bills were filed in an effort to close loopholes and strengthen Indiana's child protection laws.

The only way to help prevent predators from striking twice is to ensure their whereabouts are known by law enforcement agencies. This year, the General Assembly created legislation that requires convicted sexual predators to wear a GPS monitoring device at all times. New legislation also specifies that a principal residence is the residence where the offender spends the most time. If the sex offender plans to spend more than 72 hours away from his/her principal residence, the individual must notify both the local law enforcement agency and that of the city or county of visitation with a complete itinerary, including a return date.

Also with this newly enacted legislation, any person at least 18 years old who is convicted of child molesting for a second time may be placed on lifetime parole once his or



Senator Lawson discusses a bill with Senate President Tempore Bob Garton on the Senate floor.

her prison term is complete and any individual convicted of two child molesting crimes in another state whose parole is transferred to Indiana is also required to be placed on lifetime parole. Legislators have also been successful in preventing courts from granting petitions for adoption or legal guardianship to

a sexually violent predator or someone who commits child molestation with specific provisions.

The Department of Corrections (DOC) has been given more authority over sex offenders by receiving control of the state sex offender registry. The DOC is now also required to register these offenders before being released from incarceration.

This legislation also prohibits a sexually violent predator from living within 1,000 feet of, or working at, any school, public park or program center; nor is a sexually violent predator permitted to live within one mile of the victim's residence.

Too often, sex offenders are released from prison, supposedly rehabilitated, only to repeat their crimes or commit worse offenses. Statistics show that sex offenders are four times more likely than non-sex offenders to be arrested for another sex crime after being discharged from prison. These initiatives can help provide protection for our most vulnerable Hoosiers — our children.



## Local Consolidation

"Home Rule" is once again a hot topic around the Statehouse. It is the idea that local officials typically know what's best for their communities and that they should be provided with greater freedom to make decision. That principle is carried forth this year in House Enrolled Act 1362, which gives local governments the right to consolidate without legislative approval.

State government should be in the business of encouraging local officials to find ways to save taxpayer dollars. Many believe that significant savings can be achieved by allowing a city to merge with a county, a town to merge with a city, or townships to merge with each other. Unfortunately, the current process of accomplishing such a merger is time-consuming and political.

In his State of the State address, Governor Mitch Daniels said, "How ironic that Indiana...leads the nation in the number of politicians we elect. How curious that Hoosiers, strong believers in local control, have imprisoned mayors and county officers in a system that prevents major change without state approval."

HEA 1362 allows either local legislative bodies or the residents of areas — through petitions to initiate mergers. Once two localities start the merger process, a committee of local leaders is formed to work out the details. Finally, when a reorganization plan is complete, the proposal will be placed on the local ballot.

By giving the people a voice in government consolidation, we can ensure that such a move won't be forced on an unwilling population. Nor will a populace that desires a change be forced to wait for the state to respond.

The General Assembly believes local governments need to help slow property tax growth by reining in their spending. HEA 1362 gives towns, cities and counties the ability to join together to help lower the cost of government to their constituents.

Notably absent from this new consolidation procedure is state government. I support giving our local officials the authority to try innovative ways to run their governments at less cost and with greater efficiency.

## Major Moves: Frequently Asked Questions

This year, the General Assembly passed Major Moves, a road funding plan that includes leasing the Indiana Toll Road to a private company for 75 years for \$3.8 billion. Throughout the months of debate, several recurring questions came up. It is important that Hoosiers understand the benefits of the lease, so I would like to use this opportunity to answer some frequently asked questions.

### Why lease a state asset?

Over the last decade, the Indiana Toll Road has not been an asset or a source of revenue for the state. In fact, the interstate has lost money in five of the last seven years. And no toll road money in the last eight years has gone to the seven toll road counties for local projects.

### Does it make sense to spend 75 years' worth of proceeds in just 10 years? What about future generations?

The state's 10-year road plan will be funded with the \$3.8 billion, but enough money will be left over for a Next Generation Trust Fund. The fund, which will start around \$500 million, will gain interest for five years. In 2011, and every five years thereafter, the state will withdraw the interest and use it for needed road construction projects. The original \$500 million, however, will not be touched. This will ensure that future generations have money to maintain and build roads.

### If a private company can profit off the toll road, why can't the state?

Private companies have more capital available and have more financing options than state government. In addition, Statewide Mobility Partners (SMP) is world-renowned for operating toll facilities. The company has decades of experience in providing efficient, high-quality transportation to motorists. The company will be able to offer better service at less of an expense than the state.

### When the toll road was built, we were told the tolls would go away in a



Senator Lawson celebrates Heart Health Awareness Day with Senators Ford and Gard.

### few years. Why hasn't that happened?

In 1954, \$280 million in bonds were issued to build the Indiana Toll Road. Today, we have approximately \$225 million in outstanding bonds. The state has only been able to afford paying down \$55 million of debt in 52 years. In addition, although the seven toll road counties receive some proceeds from toll road revenue, the road has only generated enough to give the counties a total of \$50 million. The lease payment is enough to pay off outstanding bonds, give \$40 million to each Toll Road county, and distribute more throughout the rest of the state.

### Will the state be adequately protected if the private company goes bankrupt or if the terms of the lease are violated?

If SMP goes bankrupt or violates terms, the state will resume operations of the toll road and keep the \$3.8 billion. The lease also allows the state to approve or veto any hiring of a third-party to manage the road. In all cases, the state is protected, and the risk lies with SMP.

## Senate Approves Real Property Tax Relief With Bipartisan Vote

Across the state, there is a strong desire to decrease local governments' reliance on property taxes, but there is a problem. In order to eliminate more than \$5 billion in revenue, we must find a new source of funding. This year, the Senate came up with a plan that would lower property taxes and replace that lost revenue with a more equitable tax. Unfortunately, the plan did not become law.

Statistics show that Indiana ranks among the worst in the nation in reliance on property taxes to fund local government. Indiana funds 89 percent of local government with property taxes. The national average is 78 percent and falling. That makes Indiana the 15th worst property tax state in the nation.

Also, Indiana is 14th worst in the nation in reliance upon property taxes in relation to sales and income tax. Property taxes provide 37.2 percent of income from "the big three" compared to national average of 32.4 percent and falling.

Property taxes, which are levied and collected by local - not state - government, fund local entities such as schools, libraries, and fire departments. It's no secret that the property tax is often unfair. It affects seniors, small business owners and farmers more than it affects people who can afford to pay the tax. The Senate plan to permanently lower property taxes replaces the unfair property tax with a more equitable income tax.

## Telecom Bill Could Save Money for Hoosiers

While much of the discussion in this year's session centered on physical infrastructure like roads and bridges, the General Assembly made a historic change in its unseen infrastructure. Through reforms made in House Enrolled Act 1279, Indiana will see lower cable prices, increased competition and a wave of investment in the state.

Experts have called HEA 1279 the most aggressive telecommunications reform in the nation and say it will likely be a model that other states are sure to follow. The bill includes several provisions designed to give Hoosiers access to the best technology at a reasonable price. It contains two major provisions:

**Statewide Video Franchising** - Following the model used in Texas, HEA 1279 creates a streamlined process through which video providers (such as cable companies) can enter a market and compete for customers. Known as statewide video franchising, this process will result in more video competition and lower prices for consumers. Since September, when Texas statewide franchising went into effect, more than 120 franchises have been granted to competing companies.

HEA 1279 will eliminate the current virtual monopoly of cable providers and give most Hoosiers a choice in video service. In February, Ball State University's Digital



Senator Lawson listens to public testimony on a bill during a Senate committee.

Policy Institute released a study saying Hoosiers could save a total of \$262 million on their cable bills annually as a result of new choices.

**Telephone deregulation** - A recent survey of CEOs in Site Selection Magazine showed that access to high-speed communications is the most important factor in drawing new business development to a particular state. HEA 1279 encourages telephone companies



Sen. Lawson speaks on a bill during a legislative session. This session the General Assembly passed 193 pieces of legislation.

Under the plan, local elected officials in each county would take two votes. The first, an incremental income tax increase estimated at less than one percent, would stop the growth of property taxes and freeze them at current levels. The second, an additional one percent, would actually lower property taxes by an average of 20 percent or more.

Instead of passing this long-term relief, the General Assembly this year approved \$100 million in immediate relief. This money will lower property tax increases this year, giving taxpayers a quick break. I am pleased that we were able to help Hoosiers, but I am also hopeful that long-term relief will come in the very near future.

This solution or a similar one would provide real, tangible, long-term property tax relief to Hoosiers. I look forward to supporting a similar plan in the future.

to deploy more high-speed Internet, called broadband, by gradually deregulating basic phone services if broadband is made available. Companies must be able to offer high speed Internet to 50 percent of households in any given exchange before they can raise rates in that exchange. Monthly basic rates may increase by only \$1 per year until 2009.

The new law also contains protection for low-income Hoosiers. HEA 1279 establishes the Indiana "Life Line" program that provides discounted telephone rates to Hoosiers below 150 percent of the federal poverty level. This is a supplement to the federal program, which aids consumers with a household income below 135 percent of the federal poverty level. Consumers will also be protected through a ban on "local measured service," which is the practice of charging for local phone calls by the minute.

This legislation was a rare opportunity to create jobs while lowering prices and improving customer satisfaction. Independent think-tank FreedomWorks has said HEA 1279 will create 20,000 new jobs and \$7 billion in investment in Indiana. And that is an opportunity that can't be passed up.